GOVERNMENT OF INDIA
MINES
LOK SABHA

UNSTARRED QUESTION NO:1427
ANSWERED ON:27.11.2007
GROWTH OF MINING INDUSTRY
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Will the Minister of MINES be pleased to state:

(a) whether the mining industry is growing at a rapid speed;

(b) if so, the details thereof:

(c) whether foreign technology is essential to generate 13-14 percent mining growth required to meet the growth of Gross Domestic Product (GDP) at 9-10 percent;

(d) if so, whether the Government proposes to allow Foreign Direct Investment (FDI) for value added projects in power, steel and aluminium plants;

(e) if not , the reasons therefor; and

(f) the steps taken/proposed to be taken by the Government to attain a high growth rate in mining industry?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF MINES (DR. T. SUBBARAMI REDDY)

(a) to (f): As per index of industrial production maintained by the Central Statistical Organization the mining sector recorded a growth of 5.4% in the year 2006-07 as against a growth of 1% in 2005-06. Private investment, including Foreign Direct Investment (FDI) has been allowed into the mineral sector with the enunciation of National Mineral Policy in 1993, and further investment would attract State-of-art technology to generate higher growth in exploration and mining. FDI up to 100% under the automatic route is allowed for power (except atomic energy), Steel and Alumina Plants.